

AGENDA



Recommendation for Council Action

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| Austin City Council | Item ID | 7312 | Agenda Number | 18. |
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| Meeting Date: | 6/23/2011 | Department: | Economic Growth and Redevelopment |
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Subject

Authorize the submission of a joint application with the University of Texas Center for Transportation Research and the City of Austin to the Volvo Research and Education Foundation for a planning grant of up to \$46,000 to create a Centre of Excellence in the management of urban freight.

Amount and Source of Funding

Funding of up to \$46,000 is available in pass-through funding from the Volvo Research and Education Foundation.

Fiscal Note

A fiscal note is not required.

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| Purchasing Language: | |
| Prior Council Action: | |
| For More Information: | Kevin Johns, Director, EGRSO / 974-7820; Margaret Shaw, Economic Development Officer, EGRSO / 974-6497 |
| Boards and Commission Action: | |
| MBE / WBE: | |
| Related Items: | |

Additional Backup Information

The University of Texas Center for Transportation Research (UT-CTR) in conjunction with the City through the staff from Austin Transportation Department (ATD) and Economic Growth and Redevelopment Services Office (EGRSO) will submit a joint application to the Volvo Research and Education Foundation (VREF) for a planning grant of up to \$46,000. If successful, the monies will be used to develop a business plan for a VREF Centre of Excellence (CoE) based at UT-CTR to develop practical strategies for managing freight in an urban environment. No matching funds are required.

The statement of work will address the movement of goods within and through the Texas “mega-region,” which includes Houston, San Antonio, Austin, and Dallas/Fort Worth. Representatives from all cities will be included in the development of the application, due September 15, 2011. If the application wins the global competition, VREF plans to provide up to \$900,000 annually with a total not to exceed approximately \$3.5 million for operation of the new Centre.

Central Texas Freight Issues. Freight and the movement of goods along the supply chain play a significant role in Austin's economy. In 2008 the metropolitan area exported \$10.2 billion in goods and services, which supported more than 74,000 jobs. According to a 2008 study by CAMPO, the majority of freight within its jurisdiction is carried by trucks—approximately 38.3 million tons of trucked freight originated in or was destined for the CAMPO area. The same study highlighted that the trend continues to climb with trucked freight originating in central Texas growing to 34.3 million tons and goods destined for the region forecasted to reach 77.4 million tons in 2035. Cargo shipped by rail, modest in comparison to truck freight, is also predicted to grow substantially by 2035—51.1% for exports from central Texas and 43.6% for goods imported by rail.

Salaries related to freight and logistics jobs remain relatively constant. The 2011 survey by Supply-Chain Management found that the median logistics salary increased to \$90,000 in 2010. Many of these positions do not require college or higher education, providing a much needed path to wealth creation for working families.

If the UT-CTR application is successful, the coalition will prepare a detailed business plan for the establishment of the research center to develop practical strategies to address:

- the interaction between goods and passengers in an urban transportation system
- the role of private players in managing urban freight
- how local, regional, State and Federal public policy impacts urban freight management

Background. The VREF has invited cities and universities throughout the world to form consortiums and submit joint applications for planning grants to establish the next VREF CoE for managing world freight. VREF currently supports eight Centres of Excellence worldwide that together represent a powerful transportation research network. Most academic studies of urban transportation are concerned primarily with passenger transportation, and while long-haul freight movements appear to be relatively efficient, urban operations are probably much less so. Management strategies for increasing the efficiency of both passenger and freight are of particular interest to academic researchers, logistics companies and government decision-makers alike.